



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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Internal Audit Executive

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FILE COPY

June 27, 2012

Rodney Crim, Executive Director
St. Louis Port Authority
1015 Locust St., Suite 1200
Saint Louis, MO 63101

RE: Follow-up Review of St. Louis Port Authority Audit Report
(Project #2012-F1)

Dear Mr. Crim:

The Internal Audit Section has conducted a limited follow-up review on the St. Louis Port Authority Audit Report for the period July 1, 2008 through June 30, 2009 (Project #2011-08). A limited follow-up review does not necessarily involve detailed testing or verification but instead relies on communication with department management and staff, as well as limited observations.

This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The purpose of this follow-up review was to determine the status of the observation made in the report issued February 24, 2011 as of May 31, 2012.

We met with department management on May 25, 2012, to discuss and determined the status of the observation noted in the report.

It was determined that the following observation has been resolved:

Opportunity to improve internal controls over lease payment and collections

Based on Internal Audit Section's review of selected lessees, all the rent payments received to-date were accurate in compliance with the lease agreements. Lease schedule is prepared annually stating all the leases, lease period, space occupied, annual rent due, leases with premium charges etc. A spreadsheet is maintained for each fiscal year listing all the City leases, the lease period, monthly or annual lease amount due and payments received. The St. Louis Port Authority Controller reconciles the lease spreadsheet to the city general ledger on a monthly basis.

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Fees are now assessed on late rent payment by the lessees. This is applied on case by case as determined by the Controller.

Agreement has been reached with Burlington Northern with regard to the location of its company property on City land. A new lease agreement with the company is expected to be signed before the end of the year.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

A handwritten signature in dark ink, reading "Kenneth M. Stone". The signature is fluid and cursive, with the first name "Kenneth" being the most prominent.

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Attachment

cc: Charlie Hahn, SLDC Controller
Nick Nichols, Director of Finance
Ivy Neyland-Pinkston, Deputy Comptroller
James Garavaglia, Asset Manager